



This 6.59% Dividend Stock Could Double Your Money

Description

Stock market investing provides you with [returns](#) through stock price appreciation combined with shareholder dividends. [Dividend investing](#) with the right TSX stocks can be one of the best ways to make the most out of your investment capital and maximize the total returns from your portfolio.

When investors think of investing in stocks that could double their money, the typical approach is to invest in high-growth stocks that offer substantial capital gains. Unfortunately, high-growth stocks entail significant capital risk, and you can incur significant losses if the risk does not pay off.

Fortunately, dividend investing with the right income-generating assets can provide you with enough returns that you can double your initial investment. Today, I will discuss a method that you can use to effectively double your money using a high-yield dividend stock, such as **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)).

Using a high-yield dividend stock to double your investment

Enbridge stock has a reputation for being an excellent investment for income-seeking investors. Enbridge is a \$105.17 billion market capitalization multi-national pipeline company headquartered in Calgary. The company owns and operates an extensive pipeline network responsible for moving a significant portion of traditional energy sources used in North America, generating significant revenues due to its crucial role in the economy.

At writing, Enbridge stock is trading for \$52.19 per share, and it boasts a juicy 6.59% dividend yield. A mature business with a high dividend yield like Enbridge stock could provide you with the peace of mind that you can enjoy relatively stable shareholder returns through dividend payouts from your capital invested in the stock. Enbridge stock could be an excellent stock to consider as an example of how to double your money through dividend investing.

The Rule of 72 is a formula that can give you the approximate number of years for an investment to double.

Based on Enbridge stock's 6.59% dividend yield, the Rule of 72 comes around an estimate of 10.92 years, assuming that the stock price remains the same, but we will round it off to 11 years. The best thing about investing your money in Enbridge stock is that its share price is likely to grow at a rate faster than inflation based on the stock's historical performance.

Under the assumption that Enbridge stock continues growing its dividends by around 3% a year, investing in the stock today could potentially double your returns in around seven to eight years.

Foolish takeaway

Populating your portfolio with high-growth stocks can double your money much faster, but it is crucial to find high-growth stocks with strong growth potential.

Choosing the right dividend stocks with [juicy but safe dividend yields](#) could be a safer way to double your money than taking on a greater degree of risk by investing in a high-growth stock. You can also speed up your wealth growth faster by reinvesting your shareholder dividends through a dividend-reinvestment plan to purchase more shares of the company.

Using the money to add more shares of the stock to your portfolio will unlock the power of compounding to accelerate your wealth growth by providing you with more shareholder dividends.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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